

**Summary of Meeting**  
**BDAC Water Transfers Work Group**  
**October 22, 1997**  
**Third Meeting**  
**(focus on Third Party Impact Issues)**

***Key Points***

- The potential impacts to 'third-parties', however defined, were acknowledged as needing to be considered. A process or mechanism through which such impacts are adequately considered and mitigation, if necessary, gets to those intended needs to be developed.
- Successes in Yuba County with past short-term transfers has gained the support of most of the community to do more transfers, as long as the process is open and impacts are mitigated (primarily with respect to groundwater). Since the transfers have not included land fallowing, it is the sense that no local community impacts have been created.
- Concern over the impact of Bureau 're-operation' transfers to downstream water rights holders were expressed by Alex Hildebrand. A better process is needed to ensure all parties have an opportunity to voice their concerns.
- The rural poor can be adversely impacted by cumulative transfers, especially those involving land fallowing.
- Local source area growth needs have to be considered before initiating long-term transfers.
- No ideas were offered as to what level of economic impacts should realistically be considered during a transfer, nor what process is necessary to ensure that the appropriate economic (or other community) adverse impacts are properly analyzed and addressed.

***Discussion Overview***

- Mary Selkirk asked meeting participants to consider three things when listening to the case studies. These were 1) what kind of impact are being talked about? 2) if the impact is economic, what degree of economic impact should be considered? and 3) what defines a "third-party"?
- Paul Bartkiewicz provided a case-study of Yuba County Water Agency transfers that have occurred over the past several years, primarily those during the Drought Water Bank. Highlights included:
  - the water agency is separate from the County, but the County Supervisors hold 5 of the 7 Board positions
  - the agency has transferred over 800 thousand acre-feet from storage and groundwater substitution but has not included land fallowing, therefore no economic impacts to the local communities has resulted
  - Storage transfers from New Bullard's Bar have been successful and have not had any adverse impacts that were not already mitigated as part of the transfer approval process (i.e., carriage water, instream flow needs)
  - the water agency is concerned with the additional requirements placed on the storage transfers by Dept. of Fish and Game and feels that more appropriate requirements

- need to be developed during non-crisis periods to overcome non-equity issues
- groundwater substitutions involved local interests during the development and approval process which resulted in extensive monitoring and assurances; some money was spent to mitigate for increased pumping costs and to lower a few wells by temporary groundwater level reductions
- A question was raised as to the impact to local groundwater sources from the Yuba County Water Agency transfers. It was noted that some lowering of local groundwater levels did occur, but pumping was ceased when monitoring highlighted this problem, the temporary impacts were mitigated, and the area's groundwater return within a few weeks to historic levels.
- Alex Hildebrand provided a case-study on the Merced Irrigation District 'transfer' to the Bureau of Reclamation (the Bureau refers to this as a 're-operation', not a 'transfer'). Primary concerns expressed by Alex were that Delta water agencies as well as San Joaquin River water users were not notified of the transfer or given opportunity to express their views prior to approval. In addition, the Bureau did not seek SWRCB approval prior to the transfers. The concerns are based on a fear of adverse impact to summer flows in the Delta because of a varied reservoir release schedule negotiated as part of the 'transfer'. Key elements of his presentation included:
  - the San Joaquin River is not in surplus like the Sacramento Valley.
  - the 'transfers' for fishery purposes used existing yield and did not include a reduction in any existing consumptive use.
  - no cumulative impact analysis was done for this purchase, especially when considering other San Joaquin River tributary purchases (primarily on the Stanislaus River).
  - the Bureau finally went to the SWRCB for approval of the fall 'transfer', but not the spring one. Approval was granted on the condition that impacts would be mitigated; however, no mitigation water was available since it has all been used this year for CVPIA (b)(2) purposes.
- A comment was made that there seem to be two separate types of third party issues being discussed at the meeting. The first is an impact to another water right holder, the second is an impact to the local community. However, Alex noted, that the distinction should be made between where impacts occur. If another water rights holder is impacted such that they cannot be as historically productive, then there will be impacts to their local economy, just the same as if the local community impacts were in an areas selling water.
- Judith Redmond gave a more general presentation on the potential for local economic impacts. Using past transfers as examples, she emphasized the need for participation of all local interests, especially the rural poor who could be adversely impacted, especially by long-term or multiple short-term transfers. Highlights included:
  - land fallowing during the 1991 Drought Water Bank resulted in adverse impacts to farm workers and local economies (according to various studies and report completed after the Bank).
  - Yolo County has tried to bill the State for increased County administrative costs as a result of dealing with impacts from the Bank. The State has not paid. However, this highlights the need to consider a broad range of potential impacts when negotiating or approving transfers and the need for a mechanism to ensure mitigation gets to those deserving of it.
  - the rural poor can be adversely impacted when land is fallowed for transfers. Inclusion

of an entity such as the California Rural Legal Assistance during transfer negotiations can help ensure consideration of impacts to this group.

- recommendations of the California Alliance for Family Farms are 1) we need an accountable public process, 2) only transfers that do not have adverse environmental or economic impacts should be allowed, 3) purchasing regions need to prove efficient use of current water supplies prior to gaining approval to transfer new supplies, and 4) a clearinghouse of data and information on transfers is needed so local interests can know what is going on and can address cumulative impacts.
- A comment was made that during the Drought Water Bank, the purchasing regions set the price they were willing to pay based partially on knowing that third party impacts may occur and would need to be mitigated. The problem is that there is no mechanism through which to ensure that dollars allocated for mitigation actually get to those impacted.
- It appeared to some participants that third party impacts are either 1) those that could be identified and dealt with by money (or water), or 2) those on a social level, including self-esteem, ability to find a good job, etc. There is also concern with determining when an impact becomes enough such that it truly causes an adverse impact. For instance, small levels of transfers may not change the ability of a agricultural supplier to stay in business, but at some point, staying in business is no longer feasible because of multiple transfers and businesses may close or move elsewhere. These are cumulative impacts that need to be considered upon each transfer proposal.
- It was noted that economic impacts to local communities can go both ways. Many transfers are being proposed to provide adequate water for export areas whose communities are ag based and dependent on water. Adverse impacts to these local economies may occur if water is not transferred. The economic benefits to receiving communities from a transfer need to be considered to the same extent as potential adverse impacts to a selling area.
- Steve Macaulay stated that the final report prepared by DWR after the Drought Water Bank includes 15 recommendations to minimize or avoid impacts from land fallowing. A key strategy, it was noted, is to minimize the amount of fallowing in any one area.
- Charles Willard, Tehema County Supervisor, gave a brief presentation on the concerns of source counties over potential water transfers. Source areas have needs that are growing as their populations grow. There is a concern that if water is transferred, it will not be available to meet these future needs. Citing a paper authored by Dan Keppen of Tehema County and Santos Gomez of the Pacific Institute, he stated the concern that there are many interests vying for water from rural northern California. These interests should be more efficient with their existing supplies before they come looking for 'our' water. There is great concern regarding the potential cumulative impacts to foothill and valley communities from the extent of these multiple transfer demands.
- Mike Heaton commented that CALFED staff is preparing a 'context' memo that is directed at trying to make sense of all the various transfer demands, the extent they are inclusive, and the current limitations that restrict the ability to transfer any large quantities.
- During the general discussion period it was noted that the Bay Area Economic Water Forum is drafting a water transfer paper. The role that water quality should play in transfer evaluations is included in the paper as well as recommendations for different short- and long-term transfer strategies .
- A concern was expressed that CALFED is not considering impacts to upland habitats as a result of transfers, especially transfers that impact groundwater resources. Inclusion of these

habitats is necessary when evaluating third party impacts.

- CALFED staff will prepare a working draft paper focused on a 'clearinghouse' approach that will also outline a potential process necessary to achieve consensus on third-party impact issues.
- A comment was made that the group needs to understand the limited potential for transfers. It is unlikely that CALFED will develop facilities for an amount like 2 million acre-feet. More likely, quantities that may be transferred will be much less. In light of this, some of the concerns regarding third party impacts may be reduced. It was further noted that a process still needs to be developed to deal with impact issues, though. Doing so just needs to realistically consider how much may really be transferred.
- Mike Heaton provided an update on the Transfer Agency Group's progress. At the last TAG meeting, some stakeholders were invited to provide their views on some of the more technical transfer issues, including access to facilities and reservoir refill. It was noted that the CALFED staff is not making any decisions based on the involvement of a few technical experts, only trying to ensure that the issues are well understood by all parties. Concern was raised about the appropriate inclusion of interested stakeholders and that the last TAG meeting may not have been as inclusive as desired. CALFED staff stated that a better process will be developed to ensure full participation for future TAG meetings.

The next meetings of the BDAC Water Transfer Work Group:

November 21, 1997 from 9 a.m. to 12 p.m. (location to be determined)

- Focus on groundwater resource protection

December 17, 1997 from 9 a.m. to 12 p.m. (location to be determined)